

**LEGISLATIVE SERVICES AGENCY**  
**OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**  
**FISCAL IMPACT STATEMENT**

**LS 6945**

**BILL NUMBER:** SB 199

**NOTE PREPARED:** Jan 15, 2026

**BILL AMENDED:** Jan 15, 2026

**SUBJECT:** Various Education Matters.

**FIRST AUTHOR:** Sen. Raatz

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FIRST SPONSOR:**

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Indiana High School Athletics Association*: This bill makes changes to the composition of the case review panel established by the interscholastic athletic association.

*Reports*: This bill requires the Secretary of Education, not later than December 1, 2026, to identify key metrics and activities concerning civic literacy and to submit the information to the General Assembly. It requires the Secretary of Education, not later than December 1, 2026, to identify and make certain recommendations concerning paid leave for employees following certain events and to submit the findings to the General Assembly. It also requires the Commission for Higher Education, not later than December 1, 2026, to evaluate accrediting agencies of state educational institutions and to report the commission's findings and recommendations to the General Assembly.

*IREAD*: The bill provides that a school in which fewer than an average of 75% of the students over the course of three consecutive years achieved a valid passing score on the determinant evaluation of reading skills approved by the state board of education must comply with certain requirements.

*Social Media*: The bill provides that a social media service may not allow an Indiana resident who is an adolescent to hold an account with the social media service unless the social media service receives written consent to the adolescent's use of the social media service from the adolescent's parent or guardian. It provides that a social media service may not allow an Indiana resident who is a child to hold an account with the social media service. It also requires a social media service to configure the account of a registered user that the social media service knows, or reasonably should know, is:

- (1) an adolescent; and
- (2) an Indiana resident;

in a specified manner.

*Deceptive Acts and Civil Actions*: The bill provides that a social media service that violates these provisions is subject to:

- (1) an enforcement action by the Attorney General; and
- (2) a civil action by the parent or guardian of the child or adolescent with regard to whom the

violation pertains.

The bill also provides for restrictions on the retention, use, and collection of personal information for purposes of age verification by a social media service and provides that a social media service is subject to a civil action by an individual with regard to whom the social media service violates the restrictions.

**Effective Date:** Upon passage; July 1, 2026.

**Explanation of State Expenditures:** *IREAD:* Under current law, any school that achieves an IREAD-3 pass rate below 70% must follow certain requirements, including hiring an instructional coach with a literacy endorsement. Under the bill, those requirements would apply to any school with a three-year average IREAD-3 pass rate below 75%. The cost of instructional coaches for most of these schools is currently partially funded by the state. This could significantly increase state expenditures in the future. The impact is ultimately dependent on a number of factors, including the:

1. Availability of funding;
2. Number of schools that would have had an instructional coach partially paid for by the state under current law; and
3. Future IREAD-3 scores.

*Deceptive Acts:* The Attorney General could experience a minor workload increase if it takes action on the deceptive act specified in the bill.

*Reports:* The bill requires the DOE and the Commission for Higher Education (CHE) to complete certain reports. This would be a minor workload increases for both agencies in FY 2026 and/or FY 2027 that would be completed with existing staff and resources.

*Low Earning Outcome Programs:* State educational institutions with low-earning outcome programs (as defined in federal law) that wish to continue operating those programs will need to request approval from CHE. This is a minor workload increase for both state educational institutions and CHE that would be completed with existing staff and resources.

*Teacher Preparation Program Accreditation:* If DOE chooses to accredit teach preparation programs, as allowed under the bill, its workload would increase.

*Additional Information* - For each school participating in the literacy cadre (a two-year partnership that is required for schools with an IREAD-3 pass rate below 70%), the state pays one-third of the salary and benefits of the instructional coach in the first year and two-thirds of the salary and benefits in the second year. After the two-year period, schools can reenter the program, and schools with an IREAD-3 pass rate below 70% must continue to participate.

In FY 2025, there were a total of 112 schools that had an IREAD-3 pass rate below 70% and 165 that had a pass rate below 75%. However, if scores continue to improve as they did from FY 2024 to FY 2025, the number of schools required to hire instructional coaches could be lower. LSA estimates that the combined salary and benefits of an instructional coach would be around \$86,000 in FY 2027.

**Explanation of State Revenues:** *Deceptive Acts:* If the bill increases the number of deceptive acts discovered, General Fund revenue will increase. Actual increases in revenue are unknown but expected to be small. Deceptive acts discovered by the Attorney General carry a civil penalty up to \$5,000.

*Court Fee Revenue:* If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

**Explanation of Local Expenditures:** *IREAD:* The bill's provisions regarding schools with IREAD-3 pass rates below 70% could increase public school expenditures. See *Explanation of State Expenditures*.

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

**State Agencies Affected:** Office of the Attorney General; Commission for Higher Education; Department of Education; state educational institutions.

**Local Agencies Affected:** Trial courts, city and town courts; public schools.

**Information Sources:** Indiana Supreme Court; Indiana Trial Court Fee Manual;  
<https://www.in.gov/doe/it/data-center-and-reports/>

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